



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
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July 1, 2015

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To: Mayor Michael D. Antonovich
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From: Sachi A. Hamai
Interim Chief Executive Officer

WASHINGTON, D.C. UPDATE ON FFY 2016 TRANSPORTATION-HOUSING AND URBAN DEVELOPMENT (HUD) APPROPRIATIONS LEGISLATION

Executive Summary

This memorandum is to provide the Board with an update on H.R. 2577, Federal Fiscal Year (FFY) 2016 Transportation-HUD appropriations legislation, which the Senate Appropriations Committee approved on June 25, 2015, and which the House passed on June 9, 2015. The biggest differences in FFY 2016 funding between the House and Senate versions for programs of County interest are:

- HOME Investment Partnerships Program funding is maintained at its FFY 2015 level of \$900 million in the House bill, but cut to \$66 million in the Senate bill;
- Transportation Investment Generating Economic Recovery (TIGER) funding is kept at its FFY 2015 level of \$500 million in the Senate bill, but cut to \$100 million in the House bill; and
- HUD-Veterans Affairs Supportive Housing (VASH) funding for new HUD-VASH vouchers is maintained at its FFY 2015 level of \$75 million in the Senate bill, but is eliminated in the House bill.

It is all but certain that the Senate will not pass a FFY 2016 Transportation-HUD appropriations bill and that a Continuing Resolution will be enacted to temporarily fund programs early in FFY 2016. Senate Democrats indicate that they will use filibusters to block all FFY 2016 appropriations bills because they support higher overall discretionary spending levels than those being used by the Republican majority in both houses.

"To Enrich Lives Through Effective And Caring Service"

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Senate Appropriations Committee Action on FFY 2016 Transportation-HUD Appropriations Bill

The Senate Appropriations Committee approved its FFY 2016 Transportation-HUD appropriations (T-HUD) bill (H.R. 2577) on June 25, 2015, two days after it was approved by the Senate T-HUD Appropriations Subcommittee and 16 days after the House passed its version.

Before approving the bill, the Committee rejected two Democratic amendments, which would have restored funding for the HOME Program, which is cut from \$900 million to \$66 million in the Senate bill. The increased funding in both amendments were not offset by a corresponding amount of spending cuts needed to keep the bill's overall discretionary spending from exceeding its \$55.27 billion limit. Instead, both amendments, which were defeated on 14 to 16 party line votes, made the increased funding contingent on the enactment of a budget agreement to increase the overall discretionary spending limit.

In speaking against an amendment by Senator Chris Coons (D-DE) to restore HOME funding to \$900 million, Senate T-HUD Subcommittee Chair Susan Collins (R-ME) said that, in drafting the bill, Ranking Member Jack Reed (D-RI) and she agreed that the top priority should go to funding rental housing assistance for the most vulnerable persons, which alone accounts for 83 percent of HUD's total budget. She indicated that another seven percent of HUD's budget consists of Community Development Block Grant (CDBG) funding and four percent is Homeless Assistance Grant funding, which leaves very little to fund other programs, such as HOME, in the bill.

Funding Levels for Programs of County Interest in House and Senate Bills

The House and Senate FFY 2016 Transportation-HUD appropriations bills fund most programs of County interest at different levels. The biggest differences are funding for the following three programs:

- HOME Investment Partnerships Program funding is cut to \$66 million in the Senate bill, but is maintained at its FFY 2015 level of \$900 million (counting the transfer to HOME of \$133 million from the National Housing Trust Fund) in the House bill;
- Transportation Investment Generating Economic Recovery (TIGER) funding is cut to \$100 million in the House bill, but maintained at its FFY 2015 level of \$500 million in the Senate bill. Last year, the House also cut TIGER funding to \$100 million, and
- HUD-Veterans Affairs Supportive Housing funding is maintained at its FFY 2015 level of \$75 million in the Senate bill, but is eliminated in the House bill.

The next biggest difference in funding between the two bills is that the Senate, but not House, version appropriates \$20 million for new Family Unification Program (FUP) housing vouchers for former foster youth, and includes language to increase the time limit for the use of FUP vouchers by such youth from 18 to 36 months. New FUP vouchers have not been issued since 2011.

The other differences in funding levels for programs of County interest are far smaller in percentage terms:

- Section 8 Tenant-Based Rental Assistance funding is increased from \$19.305 billion in FFY 2015 to \$19.919 billion in the House bill and \$19.935 billion in the Senate bill;
- Housing Voucher Administrative Fee funding is increased to \$1.62 billion in the Senate bill, but kept at its FFY 2015 level of \$1.53 billion in the House bill;
- Project-Based Rental Assistance funding is increased to \$10.654 billion in the House bill and \$10.826 billion in the Senate bill from \$9.730 billion in FFY 2015;
- Public Housing Capital Fund is reduced to \$1.681 billion in the House bill and \$1.742 billion in the Senate bill from \$1.875 billion in FFY 2015;
- Community Development Block Grant funding is reduced to \$2.9 billion in the Senate bill, but kept at its FFY 2015 level of \$3.0 billion in the House bill; and
- Housing Assistance Grant funding is increased from \$2.135 billion in FFY 2015 to \$2.185 billion in the House bill and \$2.235 billion in the Senate bill.

Tenant Commissioner Exclusion

The Senate version includes language which has been in each annual appropriations act since FFY 2008 that exempts the Housing Authority of the County of Los Angeles (HACoLA) and the public housing authorities (PHAs) of the States of Alaska, Iowa, and Mississippi from a requirement that each PHA have a resident of public housing or Section 8 on its governing board, provided that the PHAs have established an advisory board with at least six Section 8 or public housing tenants. The House bill includes an amendment by Representative Maxine Waters (D-CA), which, in effect, removes HACoLA's exemption from the tenant commissioner requirement by prohibiting appropriated funds from being used to carry out the exemption.

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California High Speed Rail Project Policy Riders in H.R. 2577

Another policy difference between the two bills is that the House, but not Senate, versions includes policy riders to prohibit appropriated funds from being used for high speed rail in California or for administering the existing grant agreement between the Federal Railroad Administration and the California High Speed Rail Authority that allows Federal matching funds to be spent in advance of non-Federal matching funds. The House, but not Senate, bill also includes a policy rider, which prohibits the Surface Transportation Board from approving future phases of the State's high speed rail project unless the Board issues a permit for the entire project.

Legislative Outlook

It is all but certain that the Senate will not pass a Transportation-HUD appropriations bill and that a Continuing Resolution will have to be enacted to temporarily fund Federal programs and activities during the early part of FFY 2016. As reported in previous Washington, D.C. updates, Senate Democrats have indicated that they will use filibusters to block FFY 2016 appropriations bills, including the Transportation-HUD appropriations bill. The President also has threatened to veto H.R. 2577 and the other House-passed appropriations bills. This is because Congressional Democrats and the Administration support higher overall discretionary spending levels than the sequestered spending caps set by the Budget Control Act of 2011 that are being used by the Republican majority in both houses.

We will continue to keep you advised.

SAH:JJ:MR
MT:ma

c: All Department Heads
Legislative Strategist